Fiscal Estimate - 2011 Session

×	Original		Updated		Correcte	ed [Supple	mental
LRB I	Number	11-2067/2	2	Intro	duction	Number	SI	B-122	
Corpora busines	sconsin Sma ation to issue sses, allowin	all Company Ace bonds and no g refunds for the iversity of Wisconia	otes to raise can ne early stage	apital for invessed and and	stment by gel investr	venture cap	ital fu	ınds in V	Visconsin
Fiscal	Effect								
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	ndeterminate I. Increase Permiss 2. Decrease	e Costs sive 🔲 Mandat	3. lncre ory Perm 4. Decr	ease Revenue nissive	ndatory e	G.Types of Lo Governmen Towns Countie School	nt Uni	ts Affecton Village Others WTCS District	Cities
Fund Sources Affected Affected Ch. 20 Appropriations									
⊠ GP	R FED	PRO [PRS 🔲	SEG SE	EGS 20.83	35(2)(ba)			
Agenc	y/Prepared	Ву		Authorized	Signature)			Date
DOR/ Michael Oakleaf (608) 261-5173 Pau				Paul Ziegler (608) 266-5773				6/15/2011	

Fiscal Estimate Narratives DOR 6/15/2011

LRB Number	11-2067/2	Introduction Number	SB-122	Estimate Type	Original
Description				,	

Description

The Wisconsin Small Company Advancement program, requiring the Wisconsin Economic Development Corporation to issue bonds and notes to raise capital for investment by venture capital funds in Wisconsin businesses, allowing refunds for the early stage seed and angel investment tax credits, authorizing positions for the University of Wisconsin, and making appropriations

Assumptions Used in Arriving at Fiscal Estimate

This fiscal estimate pertains only to the provisions of the bill that change the Angel and Early Stage Seed Investment credits from non-refundable to refundable.

Under current law, a taxpayer may claim non-refundable Early Stage Seed and Angel Investment tax credits for the taxpayer's investments in qualified new businesses. The bill provides that the Early Stage Seed and the Angel Investment credits are refundable for taxable years beginning after December 31, 2010.

Fiscal estimate:

Non-refundable credits are considered reductions in tax revenue. Refundable credits are considered increases in appropriations. In general, changing a credit from non-refundable to refundable would involve an increase in revenue (technically a reduction in revenue reduction) and an increase in appropriations.

Assuming that refunds will be claimed for unused credits carried forward from taxable years beginning before January 1, 2011, and assuming similar amounts of refundable Angel Investment credits and modest growth in the amounts of Early Stage Seed credits are certified by the Department of Commerce as were certified as nonrefundable credits, the bill would result in an increase in revenue of an estimated \$11.8 million in FY 2012, \$10.1 million in FY 2013, and \$7.7 million in FY 2014. In addition, the bill would result in increased appropriations of an estimated \$3.5 million in FY 2012, \$13.3 million in FY 2013, \$10.6 million in FY 2014.

The bill would have no effect on the general fund in the long term, as the total amount of credits claimed would not be affected. The bill only affects the timing of the effect to the general fund and the mechanism through which the general fund is affected (revenue reduction vs. appropriations).

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

X	Original		Updated		Corrected		Supplemental			
LRB	Number	11-2067	/2	Intro	duction Nur	nber	SB-122			
The W Develo	opment Corpora in Wisconsin b	ation to issuusinesses, a	ue bonds and r allowing refund	notes to rais ds for the ea	equiring the Wise se capital for inv arly stage seed a in, and making a	estment lange	by venture capital Il investment tax			
I. One annua	e-time Costs or alized fiscal eff	r Revenue l fect):	Impacts for S	tate and/or	Local Govern	ment (do	not include in			
II. Anr	nualized Costs	3:			Annualized Fiscal Impact on funds from:					
					Increased Costs	s	Decreased Costs			
	ite Costs by C									
	te Operations -		id Fringes		\$;	\$			
 	E Position Cha									
	te Operations -	Other Cost	S							
Loc	al Assistance									
	s to Individuals									
Т	OTAL State C	osts by Ca	tegory		\$;	\$			
B. Sta	ite Costs by S	ource of Fu	ınds							
GPF	٦									
FED)									
PRO	O/PRS						·			
SEC	G/SEG-S									
III. Sta	ate Revenues - ues (e.g., tax i	- Complete increase, d	this only whe	ense fee, e	l will increase	or decre	ase state			
					Increased Rev	v	Decreased Rev			
GPF	R Taxes				\$		\$			
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FED)									
PRO	O/PRS									
SEG	G/SEG-S					1				
Т	OTAL State Re	evenues			\$:	\$			
			NET ANNUAL	IZED FISC	AL IMPACT					
					<u>State</u>	<u>ə</u>	Local			
NET CHANGE IN COSTS				\$See Tex	:t	\$				
NET CHANGE IN REVENUE				\$See Tex	t	\$				
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Agenc	cy/Prepared By	y		Authorized	Signature		Date			
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